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I. General Introduction

The tapering off of boom conditions which was expected to take place in 1950 did not materialize largely owing to the Korean War which sharply increased demand for Nigerian produce and raw materials. The trade position of Nigeria was, therefore, very favorable and prices received by the various marketing boards exceeded expectations. The value of exports in 1950 was £87,203,000 (including re-exports) compared with £80,241,000* in 1949. Exports to the United States in 1950 were £13,206,000 compared with £7,557,000 in 1949. Imports were valued at £60,523,000 compared with £57,539,000 in 1949. Of this amount £2,487,000 represents imports from the United States compared with £2,436,000 in 1949.

However, increases in the value of foreign trade do not give a true picture owing to the devaluation of 1949 and the increase of prices during 1950. On the other hand in spite of the fact that the peanut crop, one of the major export crops in weight and value was relatively poor in 1950, the volume of goods loaded and unloaded at the various ports increased from 1,488,069 tons loaded and 941,720 tons unloaded in 1949 to 1,450,158 loaded and 1,069,000 unloaded in 1950.

The steady increase of prices was a source of considerable labor unrest during the year although nothing so serious as the riots in Enugu in the fall of 1949. Dissension within the labor movement brought the various unions to practical disintegration by the end of 1950 following an unsuccessful strike of mercantile workers.

By the middle of 1950 Nigeria was in the best supply situation since the end of the war and there was hope that all shortages would disappear within a short time. The beginning of the Korean War ended this optimistic estimate and by the end of the year the supply position was becoming increasingly tight with deliveries being delayed more and more as time went on. This piling up of purchasing power within the country without the possibility of spending it is sure to result in inflationary forces. The pricing policies of the various marketing boards will, however, tend to discourage this trend.

The failure of the peanut crop in Northern Nigeria during the 1949-1950 season greatly decreased the purchasing power of that part of the country where peanut exports are a major source of cash. The outlook for 1950-1951 is even worse and some concern is being felt for business throughout that part of the country.

For the moment no end can be seen to the present boom economy which is not welcomed by most authorities since it has been the constant aim of the Government to stabilize producer prices and to cut out economic fluctuations so far as possible. Even so prices for

*All trade statistics in this report have been re-evaluated by the Nigerian Department of Statistics and will not bear comparisons with figures quoted in previous reports.

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all agricultural products were increased during 1950. In addition the various marketing boards are believed by the end of the year to have amassed reserves of upwards of £50,000,000. Some are, however, beginning to question the value of high prices when the supplies of goods to buy are not obtainable.

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II. Internal Trade and Commerce(a) Agriculture

In general there was little change in Nigerian agricultural production in 1950 as compared with 1949 except in the case of peanuts, the 1949-1950 crop being only 180,000 tons compared with a normal crop of about 300,000 tons over the previous four or five years.

Weather conditions were not particularly favorable during 1950 owing to the fact that the summer rains usually expected in June did not really begin until early September. This did not have any noticeable effect on crops in Southern Nigeria where rainfall is usually adequate and the dry season is not so severe. However, in the North although the total rainfall in the Kano region (the largest peanut producing area) was 33 inches compared with the 1927-1946 average of 34.19 inches the late rains caused a complete failure of the so-called volunteer crop resulting in drastic reduction of the export crop.

The Government continues to orient its agricultural policy towards the increase of production and the improvement of quality. The fact that the volume of agricultural exports has for the most part not increased for many years is a source of considerable concern in the country with a rapidly increasing population. The density of population in the Eastern Provinces is particularly serious and efforts are being made to arrange for the introduction of new crops in that region and the movement of population from most heavily populated centers to those more thinly populated.

Cocoa

The cocoa crop continues to be the chief dollar earner of Nigeria and the crop to which the Nigerian Department of Agriculture probably devotes the greater part of its attention. The 1949-1950 cocoa crop amounted to about 100,000 long tons of 2240 lbs. which is about normal although slightly under the crop of 108,000 tons for the previous year. At the same time the quality of cocoa is reported to be showing marked improvement. Grade III was deleted as unacceptable by the Cocoa Marketing Board for purchase from the 1950-1951 crop. The following is a breakdown of the 1949-1950 crop by grade:

Western Area

<u>Grades</u>	<u>Main Crop</u>	<u>Light Crop</u>
I	79,968	5,232
II	6,405	3,041
III	40	54

Eastern Area

<u>Grades</u>	<u>Main Crop</u>	<u>Light Crop</u>
I	3,345	19
II	895	9
III	18	-

It is reported that 98% of the deliveries of the new crop are in Grade I.

As evidence of the deep interest of the Government in the cocoa crop a separate Deputy Director of Agriculture for Cocoa was appointed in 1950 separating this product from the control of the Deputy Director for the Western Provinces. A new policy has been adopted for dealing with the swollen shoot disease in the place of the former policy of indiscriminate cutting out of trees. It was realized that the facilities that are available are inadequate to attempt ferreting out all the diseased trees. It was decided to more or less forget those areas where the disease was so serious as to be considered beyond control and concentrating efforts on eradicating any cases which arise in unaffected and lightly affected areas.

The semi-annual report of the cocoa board for the period October, 1949 to March, 1950 reveals that Black Pod is also making heavy inroads on the crop. It is estimated that crop losses amounting to three to four million pounds were experienced during the 1949-1950 season. Up to March 31, 1950 the Board spent £180,166 as recompense for cutting out 1,416,923 trees.

Another problem discussed in the report was the replacement of old trees. It was pointed out that in the next twenty years about 130,000 acres of cocoa in Oyo Province which produces 60% of the Western Provinces crop will pass out of production or cease to yield an economic return.

Owing to the devaluation and to the higher world prices for cocoa the Cocoa Marketing Board was able to grant a marked increase in producer prices for the 1950-1951 crop. These prices are the equivalents of those offered for the 1947-1948 crop: £120 per ton Grade I and £115 per ton Grade II. Even so it is believed that the board is adding substantial amounts to its reserves. Over and above its usual development contributions the Board contributed the sum of £1,000,000 to the University College School of Agriculture at Ibadan during 1950. Up until the present time this Board has spent its development funds directly without passing through the three regional production development boards. It has now been proposed that it conform to the practice of most of the other marketing boards in handling this kind of work through the production development boards.

During 1950 99,947 long tons of cocoa valued at £18,984,000 were exported from Nigeria of which 52,880 tons were destined for the United States compared with the previous year's exports of